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CENTRAL INTELLIGENCE AGENCY

15 April 1953

SUBJECT: SE-43: REACTIONS OF THE NON-COMMUNIST WORLD TO CURRENT COMMUNIST TACTICS

### THE PROBLEM

To estimate the probable effects of current Communist "peace" tactics on the peoples and governments of the non-Communist world.

#### **ESTIMATE**

- 1. The Communist shift in tactics has been manifest for so brief a period that there is as yet little evidence on which to base an estimate of the effects upon the peoples and governments of the non-Communist world. The popular reactions have been on the whole at least guardedly hopeful, while the reactions of most governments and political leaders have been tentative and cautious.
- 2. The fact that the change in tactics followed almost immediately on Stalin's death could easily be interpreted by the free people

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as a real change in Soviet policy. Moreover, Western governments are especially vulnerable to any suggestions of a moderation of the cold war because they are presently confronted with such problems as latent disagreement over possible US measures to end the Korean War, the delay in the ratification of the European Defense Treaty and the German Contractual Agreements, and economic strains attendant upon efforts to raise defense programs to higher levels. Communist concessions on the POW issue sufficient to bring about an armed truce in Korea combined with minor concessions elsewhere and a series of conciliatory gestures and statements could be well calculated to play upon this vulnerability. The moment is one, therefore, in which the governments and peoples of the West are likely to be receptive to conciliatory gestures by the Kremlin.

- 3. In Western Europe, temporary and slight relaxation of tensions would even further delay French ratification of the EDC. The French reaction to EDC would be even more negative, if the USSR went beyond conciliatory gestures and minor concessions and, for example, agreed to an Austrian peace treaty then.
- 4. The peoples of Western Europe would welcome even minor concessions as a contribution to peace, but the Western governments would be disposed to await further Soviet acts in the conviction that minor

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concessions and even the signing of an Austrian peace treaty, would not end the menace presented to Western Europe by Communism and Soviet power. However, in the unlikely event that the Kremlin offered to surrended its control over East Germany and agreed to the establishment of a united, democratic and neutralized Germany, the governments of Western Europe, including the West German Government, would almost certainly accept such a proposal as evidence of a genuine shift in Soviet policy.

5. If, as we believe probable, the Kremlin is unwilling to accept any solution of the German problem which would jeopardize Soviet control over East Germany, we do not believe the "peace" tactics of the USSR would wreck NATO or have other decisive results in Western Europe. So far as the EDC is concerned, French action, over the long run, would probably be determined by unwillingness to jeopardize the alliance with the US or to risk a German-American "understanding" from which France would be excluded. However, the Western defense effort would probably slacken, military budgets would be cut, and present force levels would be reduced.

Sewer

The Deputy Director, Intelligence, The Joint Staff, believes that with respect to Germany, the Kremlin may be willing to withdraw its troops from East Germany, if, by doing so, it could force the Western Powers to withdraw their troops from West Germany, frustrate the EDC program, and the rearmament of Germany. The Communists may also make proposals for free elections and for the reunification of Germany, in the hope that they would be able to secure a demilitarized and neutral German state.

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- 6. Far Eastern issues which may arise in connection with or subsequent to an armistice in Korea are likely to be the most immediate source of danger to the relations between the US and its allies. The views of the US and its allies might seriously diverge on a political settlement in Korea, on the future of Formosa and the Chinese Nationalist Government, on Communist China's admission to the UN, and on trade with Communist China. The consequences of such divergence would be most serious if failure to settle Far Eastern issues appeared to the European allies of the US to prevent settlement of pressing issues elsewhere.
- 7. Even if an armistice were concluded in Korea, the continuation of the war in Indo-China would probably prevent any fundamental shifts in the alignment of the non-Communist Far Eastern states. However, an armistice in Korea would probably create serious problems for the Chinese Nationalists and the Republic of Korea. In Japan also, while the alignment with the US would continue, there would be strong pressure for the resumption of economic and political relations with Communist China and the USSR. In Southeast Asia, the neutralist governments of Burma and Indonesia would probably support Chinese Communist efforts to gain UN membership.
- 8. Communist "peace" tactics would probably have little effect in the Middle East, where the importance of East-West struggle is over-shadowed by the more immediate problems posed by the Palestine dispute

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and relations with the West. Greece and Turkey would remain unequivocally committed to the West. India would feel vindicated in its
refusal to align itself with either power Bloc. In Iran Tudeh agitation
against Western influence would continue. In Egypt, the Communist peace
campaign might strengthen nationalist arguments against Western control
over military base facilities in the Suez area. The prospects for the
conclusion of regional defense arrangements, such as MEDO, would be
further diminished.

- 9. Ostensibly attractive trade offers which could be expected to accompany the "peace" tactics might constitute an increasingly formidable Communist weapon, particularly if there were economic reverses in the West. Japan would be particularly receptive to Communist trade offers following a Korean armistice because any reduction in American military expenditures would bring serious Japanese economic problems to the fore almost at once. In West Germany any traction of export markets would greatly increase the pressure for trade with the Bloc.
- 10. We do not believe that any Kremlin proposals on disarmament are likely to find widespread response in most non-Communist countries or to divide the Western allies so long as major political issues remain outstanding between East and West.

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probably be influenced greatly by the manner of the US response to the new Communist tactics. Should the US response be seen abroad as adamantly negative, there would tend to be a decline in the willingness of other states to follow US leadership. On the other hand, if it appeared that the US, relying on Communist professions of peaceful intent, was about to reduce drastically its defense effort and its aid to its allies, the confidence of the Western Powers in US leadership would be undermined. If, however, the US appeared willing to negotiate, in consultation with its allies, but at the same time appeared determined to maintain its military readiness and defensive posture, there would be a good chance of averting the separation of the other Western Powers from the US, which is almost certainly a primary aim of the new Communist tactics.